

# DEVDX Performance Review

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In July, the fund returned -0.09%, a roughly breakeven performance, versus 1.44% for the S&P 500 Index.<sup>1</sup> The broad US market responded well this month to dovish Federal Open Market Committee rhetoric, the first Federal Reserve cut since 2008, and the resumption of trade talks between the US and China after the G20 Summit in Japan at the end of June.

Amid the backdrop of yo-yoing global trade talks, deal activity continued to press forward, although at a measured pace. Cross border activity has seen the largest impact due to the uncertain geopolitical landscape, although July saw a 15-month streak snapped, as a \$20+ billion cross border deal was announced (albeit of a private company). Sponsor activity has remained elevated, given the large stockpiles of cash they sit on, and as recent deal closures have depleted the arbitrage profit pool, market participants await the next wave of announcements.

The fund's equity catalyst driven category was the largest detractor for the month at -77 basis points, led by an oncology-focused healthcare company (-64 basis points) and a medical device business (-26 basis points). These detractors were offset by contributions from a cardiovascular company and a muscular therapy business (+22 basis points each).

The bond catalyst driven strategy contributed 13 basis points as credit markets were generally flat for the month due to a modest rise in interest rates that offset modest spread compression in the credit market. The largest impact in the category was from a diversified tobacco and real estate business, which returned eight basis points as the market began to price in the probability

that the company may cut its dividend in early 2020. The largest detractor was a telecommunications business (-10 basis points) that moved lower with the broader telecom space heading into earnings (the position has since rebounded in August due to the company commencing open market purchases of the bond to retire debt).

The risk arbitrage category was the largest contributor for the month at +43 basis points primarily driven by the closing of a biotech acquisition that received a cash offer in June. The take-out announcement contributed 207 basis points in June and then the risk arbitrage investment contributed 21 basis points to the fund in July. The risk arbitrage strategy had no investments that posted a negative return for the month.

Portfolio hedges for the fund contributed 29 basis points for the month, led by healthcare and financials industry hedges and resulting in fund net exposure of 60%, the lowest level for the fund this year. With this low level of net exposure, the portfolio realized a beta roughly half of the S&P, while at the same time producing a three-month correlation of only 0.25, the lowest correlation over the past year. These hedges and low net exposure give the team conviction in the ability to generate returns via idiosyncratic situations while mitigating exposure to broader industries and market beta. The fund has sourced ideas across asset classes and a broad array of investments as part of our multi-strategy approach, and we continue to see a healthy pipeline of opportunities as we move into the second half of summer, even as a renewed bout of trade wars stirs up angst in the financial markets.

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## <sup>1</sup>Performance Disclosure

The performance data shown represents past performance and does not guarantee future results. Current performance may be lower or higher than the performance data quoted. Principal value and investment returns will fluctuate so that investors' shares, when redeemed, may be worth more or less than their original cost.

Performance data represents the rate that an investor would have earned (or lost), during the given month, on an investment in the Fund (assuming reinvestment of all dividends and distributions). Average annual total return reflects annualized change.

Since Fund performance is subject to change after the month-end, please call (877) 779-0079 or visit [www.driehaus.com](http://www.driehaus.com) for more current performance information.

# DEVDX Performance Review

## Month-end Performance (%) as of 7/31/19

Fund/Index	MTH	YTD	1 Year	Average Annual Total Return			
				3 Year	5 Year	10 Year	Since Inception <sup>1</sup>
Driehaus Event Driven Fund	-0.09	17.22	8.96	7.42	2.99	---	4.18
S&P 500 Index <sup>2</sup>	1.44	20.24	7.99	13.36	11.34	---	12.62
FTSE 3-Month T-Bill Index <sup>3</sup>	0.20	1.42	2.33	1.42	0.88	---	0.75

## Calendar Quarter-end Performance (%) as of 6/30/19

Fund/Index	QTR	YTD	1 Year	Average Annual Total Return			
				3 Year	5 Year	10 Year	Since Inception <sup>1</sup>
Driehaus Event Driven Fund	4.46	17.32	9.65	7.93	2.35	---	4.26
S&P 500 Index <sup>2</sup>	4.30	18.54	10.42	14.19	10.71	---	12.54
FTSE 3-Month T-Bill Index <sup>3</sup>	0.61	1.21	2.30	1.36	0.84	---	0.73

## Annual Operating Expenses (%)<sup>4</sup>

Gross Expense	1.90
Net Expense	1.90

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<sup>1</sup>The Driehaus Event Driven Fund has an inception date of August 26, 2013. <sup>2</sup>The Standard & Poor's ("S&P") 500 Index consists of 500 stocks chosen for market size, liquidity, and industry group. It is a market-weighted index (stock price times number of shares outstanding), with each stock's weight in the index proportionate to its market value. <sup>3</sup>The FTSE 3-Month T-Bill Index is designed to mirror the performance of the 3-Month U.S. Treasury Bill. The FTSE 3-Month T-Bill Index is unmanaged and its returns include reinvested dividends. <sup>4</sup>Represents the Annual Fund Operating Expenses as disclosed in the current prospectus dated April 30, 2019. It is important to understand that a decline in the Fund's average net assets due to unprecedented market volatility or other factors could cause the Fund's expense ratio for the current fiscal year to be higher than the expense information presented. A shareholder may be required to pay a commission to their financial intermediary.

Investments in overseas markets can pose more risks than U.S. investments, and share prices are expected to be more volatile than that of a U.S.-only fund. The Driehaus Event Driven Fund invests in foreign securities, including small and mid cap stocks, which may be subject to greater volatility than other investments. In addition, returns of this Fund will fluctuate with changes in stock market conditions, currency values, interest rates, foreign government regulations, and economic and political conditions in countries in which this Fund invests. These risks are generally greater when investing in emerging markets. These and other risk considerations are discussed in the prospectus for this Fund. At times, a significant portion of the Fund's return may be attributable to investments in initial public offerings (IPOs) or concentrations in certain strong performing

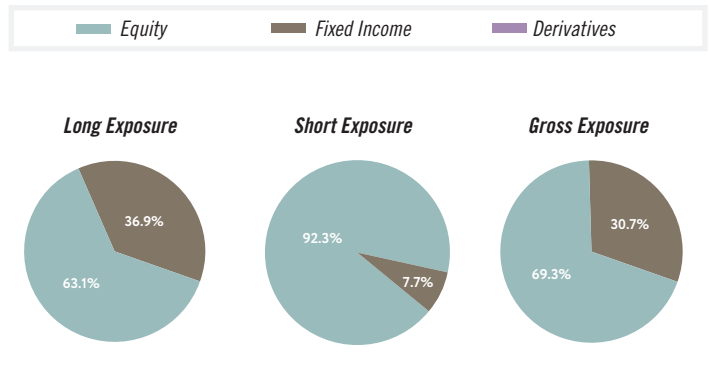
sectors, such as technology. Returns from IPOs or sector concentrations may not be repeated or consistently achieved in the future. In addition, participating in IPOs and other investments during favorable market conditions may enhance the performance of a Fund with a smaller asset base, and this Fund may not experience similar performance results as its assets grow. Stocks of medium-sized companies tend to be more volatile in price than those of larger companies and may have underperformed the stocks of small and large companies during some periods. In addition, investments in medium-sized companies may be more susceptible to particular economic events or competitive factors than are larger, more broadly diversified companies. Growth stocks may involve special risks and their prices may be more volatile than the overall market. The Fund, in addition to investing in unrated and investment grade bonds, may also invest in junk bonds, which involve greater credit risk, including the risk of default. The prices of high yield bonds are more sensitive to changing economic conditions and can fall dramatically in response to negative news about the issuer or its industry, or the economy in general. The use of derivatives involves risks different from, and possibly greater than, the risks associated with investing directly in the underlying assets. Derivatives can be highly volatile, illiquid and difficult to value, and there is a risk that changes in the value of a derivative held by the Fund will not correlate with the Fund's other investments. Further, the Fund may invest in derivatives for speculative purposes. Gains or losses from speculative positions in a derivative may be much greater than the derivative's original cost and potential losses may be substantial. The Fund may make short sales. Short sales expose the Fund to the risk of loss. No investment strategy, including an absolute return strategy, can ensure a profit or protect against loss. Additionally, investing in an absolute return strategy may lead to underperforming results during an upward moving market. When interest rates increase, bond prices decrease and bond funds become more volatile. It is anticipated that the Fund will experience high rates of portfolio turnover, which may result in payment by the Fund of above-average transaction costs. This is a nondiversified fund compared to other funds, the Fund may invest a greater percentage of assets in a particular issuer or a small number of issuers. As a consequence, the Fund may be subject to greater risks and larger losses than diversified funds.

# DEVDX Portfolio Characteristics\*

## Executive Summary

Assets Under Management (AUM)	\$67,857,615
Long Exposure	\$56,829,957
Short Exposure	\$(15,360,275)
Net Exposure	\$41,469,682
Net Exposure % of AUM	61.11%
Gross Exposure	\$72,190,232
Gross Exposure % of AUM	106.38%
Cash Exposure	\$11,010,316
Cash Exposure % of AUM	16.23%

## Exposure Breakdown by Asset Class



## Trade Type

	Gross Exposure	% of Gross Exposure	% Contribution to Total Return
Bond Catalyst Driven	22,295,310	30.9%	0.13%
Deep Value	553,637	0.8%	-0.05%
Equity Catalyst Driven	28,519,046	39.5%	-0.77%
Portfolio Hedge	12,697,539	17.6%	0.29%
Risk Arbitrage	8,124,700	11.3%	0.43%
Cash and Expenses**			-0.07%
<b>Total</b>	<b>72,190,232</b>	<b>100.0%</b>	<b>-0.05%</b>

Source: Factset / Preliminary data. May differ from data shown by third-party providers because of rounding or for other reasons.

## Portfolio Summary

100 Day Volatility	6.34%
S&P 500 Index 100 Day Volatility	10.98%
Beta vs. S&P 500 Index <sup>1</sup>	0.43
Beta vs. Merrill Lynch High Yield Index <sup>2</sup> (since inception)	0.92
Beta vs. Barclays US Aggregate Index <sup>3</sup> (since inception)	(0.52)
Correlation vs. S&P 500 Index (since inception)	0.67
Correlation vs. Merrill Lynch High Yield Index (since inception)	0.40
Correlation vs. Barclays US Aggregate Index (since inception)	(0.19)

Source: Bloomberg

\*Exposure: please note exposure may be different than market value. For equities, bonds, foreign exchange forwards and interest rate swap products, exposure is the same as market value. For options, exposure represents delta-adjusted underlying exposure. For credit default swap and credit default swap indices, exposure represents bond equivalent exposure.

\*\*Estimated expenses for the month (not annualized) as a percentage of the fund's net assets for the month. Interest on cash balances are netted against fund expenses.

<sup>1</sup> The Standard & Poor's ("S&P") 500 Index consists of 500 stocks chosen for market size, liquidity, and industry group. It is a market-weighted index (stock price times number of shares outstanding), with each stock's weight in the index proportionate to its market value.

## Characteristics

FIXED INCOME	
Effective Duration	0.08 Years
Spread Duration	1.78 Years
Average % of Par – Long Credit	92.07%
Average % of Par – Short Credit	98.75%
EQUITY	
Weighted Average Market Capitalization (USD in billion)	8.81
Weighted Harmonic Average P/E using FY1 Estimation	6.3x

<sup>2</sup>The BofA Merrill Lynch US High Yield Index is an unmanaged index that tracks the performance of below-investment-grade, US-dollar-denominated corporate bonds publicly issued in the US domestic market. <sup>3</sup>The Bloomberg Barclays Capital US Aggregate Bond Index, an unmanaged index, represents securities that are SEC-registered, taxable and dollar denominated. This index covers the US investment grade fixed rate bond market, with index components for government and corporate securities, mortgage pass-through securities and asset-backed securities. These major sectors are subdivided into more specific indices that are calculated and reported on a regular basis.

**Note:** A definition of key terms can be found on page 7

## Product Type

	Long Exposure (\$)	% of Long Exposure	Short Exposure (\$)	% of Short Exposure	Gross Exposure (\$)	% of Gross Exposure
Bank Loan	4,000,224	7.0%	0	0.0%	4,000,224	5.5%
Corporate	16,983,401	29.9%	(1,185,000)	7.7%	18,168,401	25.2%
<b>Fixed Income</b>	<b>20,983,625</b>	<b>36.9%</b>	<b>(1,185,000)</b>	<b>7.7%</b>	<b>22,168,625</b>	<b>30.7%</b>
ADR/GDR	2,795,294	4.9%	0	0.0%	2,795,294	3.9%
Equity Common	32,635,675	57.4%	(1,475,635)	9.6%	34,111,310	47.3%
Exchange Traded Fund	0	0.0%	(12,697,539)	82.7%	12,697,539	17.6%
Private Equity	412,500	0.7%	0	0.0%	412,500	0.6%
<b>Equity</b>	<b>35,843,470</b>	<b>63.1%</b>	<b>(14,173,174)</b>	<b>92.3%</b>	<b>50,016,643</b>	<b>69.3%</b>
Currency Forward	2,862	0.0%	(2,101)	0.0%	4,963	0.0%
Warrant/Right	0	0.0%	0	0.0%	0	0.0%
<b>Derivatives</b>	<b>2,862</b>	<b>0.0%</b>	<b>(2,101)</b>	<b>0.0%</b>	<b>4,963</b>	<b>0.0%</b>
<b>Total</b>	<b>56,829,957</b>	<b>100.0%</b>	<b>(15,360,275)</b>	<b>100.0%</b>	<b>72,190,232</b>	<b>100.0%</b>

## Region\*

	Long Exposure (\$)	% of Long Exposure	Short Exposure (\$)	% of Short Exposure	Gross Exposure (\$)	% of Gross Exposure
Developed	8,751,346	15.4%	(2,101)	0.0%	8,753,447	12.1%
Emerging	0	0.0%	0	0.0%	0	0.0%
United States	48,078,611	84.6%	(15,358,174)	100.0%	63,436,785	87.9%
<b>Total</b>	<b>56,829,957</b>	<b>100.0%</b>	<b>(15,360,275)</b>	<b>100.0%</b>	<b>72,190,232</b>	<b>100.0%</b>

## Contributors (by Trade Type)

TOP 5		BOTTOM 5	
Equity Catalyst Driven	0.22%	Equity Catalyst Driven	-0.64%
Portfolio Hedge	0.22%	Equity Catalyst Driven	-0.26%
Equity Catalyst Driven	0.22%	Equity Catalyst Driven	-0.23%
Risk Arbitrage	0.21%	Equity Catalyst Driven	-0.20%
Portfolio Hedge	0.17%	Equity Catalyst Driven	-0.15%
<b>Total</b>	<b>1.04%</b>	<b>Total</b>	<b>-1.47%</b>

Source: Bloomberg

\*Region exposure is based on country of domicile

Note: A definition of key terms can be found on page 7

## Sector

GICS <sup>1</sup>	Long Exposure (\$)	% of Long Exposure	Short Exposure (\$)	% of Short Exposure	Gross Exposure (\$)	% of Gross Exposure
Communication Services	6,260,582	11.0%	0	0.0%	6,260,582	8.7%
Consumer Discretionary	3,789,842	6.7%	0	0.0%	3,789,842	5.2%
Consumer Staples	2,231,263	3.9%	0	0.0%	2,231,263	3.1%
Energy	2,097,469	3.7%	(428,188)	2.8%	2,525,657	3.5%
Financials	16,173,331	28.5%	(2,359,441)	15.4%	18,532,772	25.7%
Health Care	21,752,517	38.3%	(12,570,545)	81.8%	34,323,062	47.5%
Industrials	2,581,424	4.5%	0	0.0%	2,581,424	3.6%
Information Technology	1,940,667	3.4%	0	0.0%	1,940,667	2.7%
Materials	0	0.0%	0	0.0%	0	0.0%
Real Estate	0	0.0%	0	0.0%	0	0.0%
Utilities	0	0.0%	0	0.0%	0	0.0%
Other <sup>2</sup>	2,862	0.0%	(2,101)	0.0%	4,963	0.0%
<b>Total</b>	<b>56,829,957</b>	<b>100.0%</b>	<b>(15,360,275)</b>	<b>100.0%</b>	<b>72,190,232</b>	<b>100.0%</b>

Source: Bloomberg, Moody's, Standard & Poor's

<sup>1</sup>The Global Industry Classification Standard (GICS), a collaboration between Standard & Poor's and Morgan Stanley Capital International, is a system of classification that identifies a company according to its business activity.

<sup>2</sup>The Other Industry Sector data is not categorized within the GICS classification system

## Notes

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**Please consider the investment objectives, risks, fees and expenses of the Fund carefully prior to investing. The prospectus and summary prospectus contain this and other important information about the Fund. To obtain a copy of the prospectus and/or summary prospectus, please call us at (877) 779-0079. Please read the prospectus and summary prospectus carefully before investing.**

This snapshot is not intended to provide investment advice. Nothing herein should be construed as a solicitation or a recommendation to buy or sell securities or other investments. You should assess your own investment needs based on your individual financial circumstances and investment objectives. Driehaus does not guarantee the accuracy or completeness of this information. This data was prepared on August 12, 2019 and has not been updated since then. It may not reflect recent market activity. Driehaus assumes no obligation to update or supplement this information to reflect subsequent changes. This material is not intended to be relied upon as a forecast, research or investment advice, and is not a recommendation, offer or solicitation to buy or sell any securities or to adopt any investment strategy. The information and opinions contained in this material are derived from proprietary and non-proprietary sources deemed by Driehaus to be reliable, are not necessarily all inclusive and are not guaranteed as to accuracy. There is no guarantee that any forecasts made will come to pass. Reliance upon information in this material is at the sole discretion of the reader.

**Driehaus Securities LLC, Distributor**

## FUND INFORMATION

### Types of events in which the fund frequently invests include:

**Corporate action:** Changes to the company's strategy or capital structure as a result of mergers, acquisitions, spin-offs, lawsuits, etc.

**Earnings:** A trade involving an upside or downside surprise to earnings versus market expectations.

**Market dislocation:** Any mispricing of a security for a non-fundamental reason.

**Product cycle:** A key change to the company's product/service offering, or a change in customer preferences for the company's product/service.

**Restructuring:** A change to the company's capital structure or business prospects as a result of bankruptcy, reorganization or corporate distress.

### Types of trades in which the fund frequently invests include:

**Bond catalyst driven:** Event-driven trades that are expressed predominantly through bond positions.

**Deep value:** Trade that attempts to capture the mispricing of an extremely undervalued security.

**Equity catalyst driven:** Event-driven trades that are expressed predominantly through equity positions.

**Portfolio hedge:** A hedge to an unwanted factor exposure, such as equity, volatility, credit or interest rate risk.

**Risk arbitrage:** Trades that attempt to capture a valuation discrepancy between similar securities.

## DEFINITIONS OF KEY TERMS

**Average % of Par – Long Credit** - The average dollar price of a bond the Fund is long as a percentage of par.

**Average % of Par – Short Credit** - The average dollar price of a bond the Fund is short as a percentage of par.

**Beta** - A measure describing the relation of a portfolio's returns with that of the financial market as a whole. A portfolio with a beta of 0 means that its price is not at all correlated with the market. A positive beta means that the portfolio generally follows the market. A negative beta shows that the portfolio inversely follows the market; the portfolio generally decreases in value if the market goes up and vice versa.

**Credit Default Swap (CDS)** - A contract in which the buyer of the CDS makes a series of payments to the seller and, in exchange, receives a payoff if a credit instrument (typically a bond or loan) goes into default. In its simplest form, a credit default swap is a bilateral contract between the buyer and seller of protection.

**Delta** - The ratio that compares the change in the price of a derivative to the corresponding change in the price of an underlying asset.

**Derivatives Premium** – Value of a derivatives contract.

**Effective Duration** - A duration calculation for bonds with embedded options. Effective duration takes into account that expected cash flows will fluctuate as interest rates change.

**Equity Gamma** - The ratio that compares the rate of change for the delta with respect to the underlying asset's price.

**Portfolio Coupon** - The annualized interest earned for the portfolio.

**Portfolio Current Yield** - The annual income (interest or dividends) divided by the current price of the security, aggregated to the portfolio level.

**Portfolio Yield-to-Worst** - The lowest potential yield that can be received on a bond without the issuer actually defaulting, aggregated to the portfolio level. The yield to worst is calculated by making worst-case scenario assumptions on the issue by calculating the returns that would be received if provisions, including prepayment, call or sinking fund, are used by the issuer.

**Spread Duration** - The sensitivity of the price of a bond to a 100 basis point change to its option-adjusted spread. As the rate of the Treasury security in the option-adjusted spread increases, the rate of the option-adjusted spread also increases.

**Sharpe Ratio** is calculated by finding the portfolio's excess return and then dividing by the portfolio's standard deviation.

**Stock Vega** - The change in the price of an option that results from a 1% change in volatility. Vega changes when there are large price movements in the underlying asset and Vega falls as the option gets closer to maturity. Vega can change even if there is no change in the price of the underlying asset (e.g., if there is a change in expected volatility).

**Swap** - A derivative in which two counterparties exchange certain benefits of one party's financial instrument for those of the other party's financial instrument.

**Theta** - A measure of the rate of decline in the value of an option due to the passage of time. Theta can also be referred to as the time decay on the value of an option.